

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

<b>In re</b>	)	<b>PROMESA</b>
	)	<b>Title III</b>
	)	
<b>THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,</b>	)	<b>No. 17 BK 3283-LTS</b>
	)	
	)	<b>(Jointly Administered)</b>
As a representative of	)	
	)	
<b>THE COMMONWEALTH OF PUERTO RICO <i>et al.</i>,</b>	)	<b>Re: Dkt. No. 6305</b>
	)	
<b>Debtors.<sup>1</sup></b>	)	<b>Hearing:</b> April 18, 2019 at 2:00 p.m. (Atlantic Standard Time)
	)	

**FEE EXAMINER’S LIMITED RESPONSE AND RESERVATION OF RIGHTS WITH  
RESPECT TO URGENT JOINT MOTION AND STIPULATION REGARDING JOINT  
PROSECUTION OF DEBTOR CAUSES OF ACTION**

TO: HON. LAURA TAYLOR SWAIN,  
UNITED STATES DISTRICT JUDGE

The Fee Examiner, by his counsel, responds to the *Urgent Joint Motion for Entry of Order Approving Stipulation and Agreed Order by and Among Financial Oversight and Management Board, its Special Claims Committee, and Official Committee of Unsecured Creditors Related to Joint Prosecution of Debtor Causes of Action* [Dkt. No. 6305] (the

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the: (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and, (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

“Motion”), filed on April 16, 2019, with an objection or response deadline of April 17, 2019 and a hearing scheduled for April 18, 2019, as follows:

1. The Motion and the accompanying proposed Stipulation reflect the agreement, subject to Court approval, by the Financial Oversight and Management Board and the Official Committee of Unsecured Creditors to allocate litigation responsibilities and to “work jointly” on the prosecution of claims or potential claims held by the Debtors. Motion, ¶ 5. It anticipates the appointment of members of the Special Claims Committee and the Creditors’ Committee to serve as “co-trustees” and “co-plaintiffs” to pursue specified claims. *Id.* & n.5; Stipulation, ¶ 3. That includes the right “to participate fully in any settlement discussions, mediation, or other dispute resolution....” *Id.* ¶ 12.

2. The Motion states, as one of its goals, the need “to ensure the efficient prosecution of causes of action for the benefit of the Debtors and their Creditors....” *Id.*, ¶ 6.

3. The Fee Examiner does not object to the Motion. Neither he nor his counsel was involved in the process that led to the Motion and Stipulation.

4. Especially given the structure of PROMESA, the issues of duplicative advocacy and inefficient staffing have recurred throughout these proceedings, issues recognized by the Court as it has reviewed and approved interim fee applications. The Motion and Stipulation raise—at the least—the possibility that multiple professionals at multiple firms will be engaged in essentially the same tasks with one set of professionals necessarily (under the Stipulation) reviewing and commenting on the work of others, regardless of which set has primary responsibility.

5. PROMESA sec 316(d)(1)—mirroring the U.S. Bankruptcy Code—prohibits compensation for “unnecessary duplication of services....” *See* 11 U.S.C. § 330.

6. With this response, the Fee Examiner requests that any agreement or allocation of rights and responsibilities approved by the Court include an affirmative requirement that professionals prepare and submit with their fee applications detailed staffing plans outlining the affirmative steps taken to eliminate charges for duplicative services.

7. The Fee Examiner has raised this question with counsel for the Creditors' Committee (not yet having reached counsel for the Debtors) who anticipates adding language to the Stipulation that addresses the Fee Examiner's concerns expressed here, including the assignment of specific matters to specific counsel.

Dated this 17<sup>th</sup> day of April, 2019.

WE HEREBY CERTIFY that on this date, we electronically filed the foregoing motion with the Clerk of the Court using the CM/ECF system that will send notification of such filing to all attorneys of record registered in the use of the CM/ECF system.

EDGE Legal Strategies, PSC

*s/Vilmarys M. Quiñones Cintrón*

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